



General Assembly

Substitute Bill No. 1109

January Session, 2011

* SB01109BA 031511 *

AN ACT CONCERNING BANKS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 36a-17 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2011*):

4 (b) Any Connecticut bank, Connecticut credit union or Connecticut
5 credit union service organization which causes or has caused any
6 electronic data processing services to be performed for such bank,
7 credit union or credit union service organization either on or off its
8 premises by an electronic data processing servicer shall enter into a
9 written contract with such servicer. Such contract shall specify the
10 duties and responsibilities of the bank, credit union or credit union
11 service organization and such servicer and provide that such servicer
12 shall allow the commissioner to examine such servicer's books, records
13 and computer systems in accordance with this subsection, if required
14 by the commissioner. The Connecticut bank, Connecticut credit union
15 or Connecticut credit union service organization shall promptly [send
16 a copy of such contract to] notify the commissioner of any material
17 change in its electronic data processing services. The commissioner
18 may examine the books, records and computer systems of any
19 electronic data processing servicer that performs electronic data
20 processing services for a Connecticut bank, Connecticut credit union or

21 Connecticut credit union service organization, if such services
22 substantially impact the operations of the Connecticut bank,
23 Connecticut credit union or Connecticut credit union service
24 organization as determined by the commissioner, in order to (1)
25 determine whether such servicer has the capacity to protect the
26 customer information of such bank, credit union or credit union
27 service organization, and (2) assess such servicer's potential for
28 continued service. The commissioner may assess a fee of one hundred
29 fifty dollars per day plus costs for each examiner who conducts such
30 examination, the total cost of which the commissioner may allocate on
31 a pro rata basis to all Connecticut banks, Connecticut credit unions and
32 Connecticut credit union service organizations under contract with
33 such servicer.

34 Sec. 2. Subsection (a) of section 36a-59 of the general statutes is
35 repealed and the following is substituted in lieu thereof (*Effective from*
36 *passage*):

37 (a) The commissioner may enter into one or more stipulations and
38 agreements, [or] memoranda of understanding or consent orders with
39 a Connecticut bank, either alone or in conjunction with the Federal
40 Deposit Insurance Corporation, a Federal Reserve Bank or [its] their
41 successor [agency] agencies, or may enter into one or more letters of
42 understanding and agreement, [or] memoranda of understanding or
43 consent orders with, or issue preliminary warning letters to, a
44 Connecticut credit union or Connecticut credit union service
45 organization, either alone or in conjunction with the National Credit
46 Union Administration or its successor agency, if the commissioner
47 finds as a result of an examination or investigation that the
48 Connecticut bank, Connecticut credit union or Connecticut credit
49 union service organization: (1) Has failed to file a report when due, (2)
50 is insolvent, (3) has violated any provisions of the general statutes
51 within the jurisdiction of the commissioner, or any regulation, rule or
52 order adopted or issued thereunder, or (4) has engaged or participated
53 in, or is engaging or participating in, any unsafe and unsound practice.

54 Sec. 3. Subdivision (1) of subsection (d) of section 36a-65 of the
55 general statutes is repealed and the following is substituted in lieu
56 thereof (*Effective from passage*):

57 (d) (1) The fee for investigating and processing each application is as
58 follows:

59 (A) Establishment of (i) a branch under subdivision (1) of subsection
60 (b) of section 36a-145, two thousand dollars; (ii) a mobile branch under
61 subdivision (1) of subsection (d) of section 36a-145, one thousand five
62 hundred dollars; (iii) a limited branch under subdivision (1) of
63 subsection (c) of section 36a-145, one thousand five hundred dollars;
64 (iv) a special need limited branch under subdivision (4) of subsection
65 (c) of section 36a-145, five hundred dollars; (v) an out-of-state branch
66 under subsection (j) of section 36a-145, a reasonable fee not to exceed
67 two thousand dollars from which any fees paid to a state other than
68 this state or to a foreign country in connection with the establishment
69 shall be deducted; and (vi) an out-of-state limited branch or mobile
70 branch under subsection (j) of section 36a-145, a reasonable fee not to
71 exceed one thousand five hundred dollars from which any fees paid to
72 a state other than this state or to a foreign country in connection with
73 the establishment shall be deducted.

74 (B) Sale of (i) a branch under subsection (i) of section 36a-145, two
75 thousand dollars, except there shall be no fee for the sale of a branch of
76 a Connecticut bank to another Connecticut bank or to a Connecticut
77 credit union; and (ii) a limited branch, including a special need limited
78 branch or mobile branch under subsection (i) of section 36a-145, a fee
79 not to exceed one thousand five hundred dollars.

80 (C) Relocation of (i) a main office of a Connecticut bank under
81 subsection (a) of section 36a-81, two thousand dollars; and (ii) a branch
82 or a limited branch under [subsection] subsections (g) and (k) of
83 section 36a-145, five hundred dollars.

84 (D) Conversions from (i) a branch to a limited branch under
85 subdivision (3) of subsection (c) of section 36a-145; and (ii) a limited

86 branch to a branch under subdivision (3) of subsection (b) of section
87 36a-145, five hundred dollars.

88 (E) Merger or consolidation involving a Connecticut bank under
89 section 36a-125 or subsection (a) of section 36a-126, two thousand five
90 hundred dollars if two institutions are involved and five thousand
91 dollars if three or more institutions are involved.

92 (F) Acquisition of assets or business under section 36a-210, two
93 thousand five hundred dollars.

94 (G) Organization of a holding company under section 36a-181, two
95 thousand five hundred dollars.

96 (H) Organization of any Connecticut bank under section 36a-70, as
97 amended by this act, including the conditional preliminary approval
98 for an expedited bank, fifteen thousand dollars, except no fee shall be
99 required for the organization of an interim Connecticut bank.

100 (I) Reorganization of a mutual savings bank or mutual savings and
101 loan association into a mutual holding company under section 36a-192,
102 five thousand dollars.

103 (J) Conversions under (i) sections 36a-135 to 36a-138, inclusive, five
104 thousand dollars; (ii) sections 36a-139, 36a-139a and 36a-469c, two
105 thousand five hundred dollars; and (iii) section 36a-139b, fifteen
106 thousand dollars.

107 (K) Acquiring, altering or improving real estate for present or future
108 use in the business of the bank or purchasing real estate adjoining any
109 parcel of real estate owned by the bank under subdivision (33) of
110 subsection (a) of section 36a-250, five hundred dollars, except that no
111 fee shall be charged for such application if it is filed in connection with
112 an application to relocate a main office of a Connecticut bank under
113 subsection (a) of section 36a-81 or establish (i) a branch in this state
114 under subdivision (1) of subsection (b) of section 36a-145, (ii) a limited
115 branch in this state under subdivision (1) of subsection (c) of section

116 36a-145, or (iii) a branch or limited branch outside of this state under
117 subsection (j) of section 36a-145.

118 (L) Investigation and processing an interstate banking transaction
119 application filed under section 36a-411 or 36a-412, two thousand five
120 hundred dollars, unless the transaction otherwise requires an
121 investigation and processing fee under this section.

122 (M) Issuance of a final certificate of authority for an expedited
123 Connecticut bank, [except for a conditional preliminary approval,]
124 fifteen thousand dollars.

125 Sec. 4. Subsection (p) of section 36a-70 of the general statutes is
126 repealed and the following is substituted in lieu thereof (*Effective from*
127 *passage*):

128 (p) (1) One or more persons may organize an interim Connecticut
129 bank solely (A) for the acquisition of an existing bank, whether by
130 acquisition of stock, by acquisition of assets, or by merger or
131 consolidation, or (B) to facilitate any other corporate transaction
132 authorized by this title in which the commissioner has determined that
133 such transaction has adequate regulatory supervision to justify the
134 organization of an interim Connecticut bank. Such interim Connecticut
135 bank shall not accept deposits or otherwise commence business.
136 Subdivision (2) of subsection (c) and subsections (d), (f), (g), (h) and (o)
137 of this section shall not apply to the organization of an interim bank,
138 provided the commissioner may, in the commissioner's discretion,
139 order a hearing under subsection (e) or require that the organizers
140 publish or mail the proposed certificate of incorporation or both. The
141 approving authority for an interim Connecticut bank shall be the
142 commissioner acting alone. If the approving authority determines that
143 the organization of the interim Connecticut bank complies with
144 applicable law, the approving authority shall issue a temporary
145 certificate of authority conditioned on the approval by the appropriate
146 supervisory agency of the corporate transaction for which the interim
147 Connecticut bank is formed.

148 (2) (A) Notwithstanding any provision of this title, for the period
149 from [October 1, 2009,] the effective date of this section to September
150 30, [2011] 2013, inclusive, one or more persons may apply to the
151 commissioner for the conditional preliminary approval of [an] one or
152 more expedited Connecticut [bank] banks organized primarily for the
153 purpose of assuming liabilities and purchasing assets from the Federal
154 Deposit Insurance Corporation when the Federal Deposit Insurance
155 Corporation is acting as receiver or conservator of an insured
156 depository institution. The [person or persons organizing an expedited
157 Connecticut bank shall execute, acknowledge and file with the
158 commissioner an application to organize. Such] application shall be
159 made on a form acceptable to the commissioner and shall be executed
160 and acknowledged by the applicant or applicants. Such application
161 shall contain sufficient information for the commissioner to evaluate (i)
162 the amount, type and sources of capital that would be available to the
163 bank or banks; (ii) the ownership structure and holding companies, if
164 any, over the bank or banks; (iii) the identity, biographical information
165 and banking experience of each of the initial organizers and
166 prospective initial directors, senior executive officers and any
167 individual, group or proposed shareholders of the bank that will own
168 or control ten per cent or more of the stock of the bank or banks; (iv)
169 the overall strategic plan of the organizers and investors for the bank
170 or banks; and (v) a preliminary business plan outlining intended
171 product and business lines, retail branching plans and capital, earnings
172 and liquidity projections. The commissioner, acting alone, shall grant
173 conditional preliminary approval of such application to organize if the
174 commissioner determines that the organizers have available sufficient
175 committed funds to invest in the bank or banks; the organizers and
176 proposed directors possess capacity and fitness for the duties and
177 responsibilities with which they will be charged; the proposed bank
178 [charter has] or banks have a reasonable chance of success and will be
179 operated in a safe and sound manner; and the fee for investigating and
180 processing the application has been paid in accordance with
181 subparagraph (H) of subdivision (1) of subsection (d) of section 36a-65,
182 as amended by this act. Such preliminary approval shall be subject to

183 such conditions as the commissioner deems appropriate, including the
184 requirements that the bank or banks not commence the business of a
185 Connecticut bank until after [its] their bid or application for a
186 particular insured depository institution is accepted by the Federal
187 Deposit Insurance Corporation, that the background checks are
188 satisfactory, and that the organizers submit, for the safety and
189 soundness review by the commissioner, more detailed operating plans
190 and current financial statements as potential acquisition transactions
191 are considered, and such plans and statements are satisfactory to the
192 commissioner. The commissioner may alter, suspend or revoke the
193 conditional preliminary approval if the commissioner deems any
194 interim development warrants such action. The conditional
195 preliminary approval shall expire eighteen months from the date of
196 approval, unless extended by the commissioner. [if the bank has not
197 commenced business and consummated an initial acquisition.]

198 (B) The commissioner shall not issue a final certificate of authority
199 to commence the business of a Connecticut bank or banks under this
200 subdivision until all conditions and preopening requirements and
201 applicable state and federal regulatory requirements have been met
202 and the fee for [assuming liabilities and purchasing assets] issuance of
203 a final certificate of authority for an expedited Connecticut bank has
204 been paid in accordance with subparagraph (M) of subdivision (1) of
205 subsection (d) of section 36a-65, as amended by this act. The
206 commissioner may waive any requirement under this title or
207 regulations adopted under this title that is necessary for the
208 consummation of [a bank] an acquisition involving an expedited
209 Connecticut bank if the commissioner finds that such waiver is
210 advisable and in the interest of depositors or the public, provided the
211 commissioner shall not waive the requirement that the institution's
212 insurable accounts or deposits be federally insured. Any such waiver
213 granted by the commissioner under this subparagraph shall be in
214 writing and shall set forth the reason or reasons for the waiver. The
215 commissioner may impose conditions on the final certificate of
216 authority as the commissioner deems necessary to ensure that the bank

217 will be operated in a safe and sound manner. The commissioner shall
218 cause notice of the issuance of the final certificate of authority to be
219 published in the department's weekly bulletin.

220 Sec. 5. Subsection (j) of section 36a-261 of the general statutes is
221 repealed and the following is substituted in lieu thereof (*Effective*
222 *October 1, 2011*):

223 (j) Loans made under this section may be for the purpose of
224 building upon or improving the property of the borrower, and may be
225 made in installments advanced at the discretion of the lending
226 institution as the work progresses; provided at no time shall the ratio
227 of the amount loaned to the then total value exceed [fifty per cent or]
228 the ratio the final loan is to bear to the value of the completed
229 property. [, whichever is the greater.] Loans made to finance the
230 construction of buildings and having a maturity of not more than
231 twenty-four months or having a maturity of not more than thirty-six
232 months if approved by the commissioner are not subject to the
233 limitations imposed by this subsection.

234 Sec. 6. Subsection (a) of section 36a-263 of the general statutes is
235 repealed and the following is substituted in lieu thereof (*Effective*
236 *October 1, 2011*):

237 (a) As used in this section, "executive officer" has the meaning given
238 to such term in [12 CFR 215.2 of Subpart A] Section 215.2 of Federal
239 Reserve Board Regulation O, 12 CFR Part 215, as from time to time
240 amended. With the exception of [Sections] Section 215.7 [and 215.13 of
241 Subpart A] of Federal Reserve Board Regulation O, 12 CFR Part 215, as
242 from time to time amended, Connecticut banks are subject to and shall
243 comply with the restrictions contained in 12 CFR [Sections] Section
244 337.3, [and 349,] as from time to time amended, and no executive
245 officer, director or principal shareholder of a Connecticut bank or any
246 of its affiliates shall knowingly receive, or knowingly permit any of
247 such person's related interests to receive, from a Connecticut bank,
248 directly or indirectly, any extension of credit that violates such

249 restrictions. No executive officer, director, employee, agent or other
250 person shall participate in any conduct of the affairs of the bank that
251 violates this subsection.

252 Sec. 7. Subsections (d) and (e) of section 36a-276 of the general
253 statutes are repealed and the following is substituted in lieu thereof
254 (*Effective from passage*):

255 (d) In addition to other investments authorized by sections 36a-275
256 to 36a-277, inclusive, and 36a-280, any Connecticut bank, with the
257 approval of the commissioner, may purchase or hold for its own
258 account, without regard to any other liability to the Connecticut bank
259 of the issuer, a controlling interest in a corporation or other entity, the
260 functions of which are limited to one or more of the functions which
261 the bank may carry on directly in the exercise of its express or
262 incidental powers. For purposes of this subsection and subsection (e)
263 of this section, a "controlling interest" means at least fifty-one per cent
264 of the equity securities issued by the corporation or other entity, unless
265 the commissioner determines that under the circumstances, a lesser
266 percentage constitutes effective working control of the corporation or
267 other entity.

268 (e) The bank shall notify the commissioner, in writing, twenty-four
269 hours prior to making any investment under subsections (b) and (c) of
270 this section which would result in such bank having invested in the
271 aggregate in twenty-five per cent or more of the equity securities of a
272 corporation. Notwithstanding the provisions of this subsection, any
273 investment in a controlling interest in a corporation or other entity, the
274 functions of which are limited to one or more of the functions that the
275 bank may carry on directly in the exercise of its express or incidental
276 powers, shall be made in accordance with subsection (d) of this
277 section.

278 Sec. 8. Section 36a-330 of the general statutes is repealed and the
279 following is substituted in lieu thereof (*Effective from passage*):

280 As used in sections 36a-330 to 36a-338, inclusive, unless the context

281 otherwise requires:

282 (1) "Business day" means any day other than a Saturday, Sunday or
283 day on which a financial institution is closed as required or authorized
284 by state or federal law;

285 (2) "Close of business" means the time at which a financial
286 institution closes for regular business operations on any business day;

287 [(1)] (3) "Eligible collateral" means (A) United States treasury bills,
288 notes and bonds, (B) United States government agency securities, (C)
289 United States agency variable-rate securities, (D) mortgage pass-
290 through or participation certificates or similar securities, (E)
291 performing one-to-four-family residential mortgage loans that meet
292 the following criteria: (i) The mortgage loan has a loan-to-value ratio
293 which is less than or equal to eighty per cent for loans without private
294 mortgage insurance, or a loan-to-value ratio which is less than or equal
295 to ninety-five per cent for loans with private mortgage insurance; and
296 (ii) the mortgage loan has a payment history of not more than one
297 payment over thirty days in arrears during the past twelve consecutive
298 months or, if the loan has a payment history of less than twelve
299 months in duration, the loan meets the documentation requirements of
300 the Federal National Mortgage Association or the Federal Home Loan
301 Mortgage Corporation; provided, in the case of a subsequent default
302 under any such mortgage loan that continues uncured for more than
303 sixty days, such loan shall no longer qualify as eligible collateral and
304 shall be replaced by a performing mortgage loan that meets the criteria
305 set forth in this subdivision, and (F) state and municipal bonds;

306 [(2)] (4) "Financial institution" means a bank, Connecticut credit
307 union, federal credit union or an out-of-state bank that maintains in
308 this state a branch as defined in section 36a-410;

309 [(3)] (5) "Loss" means issuance of an order of supervisory authority
310 restraining a qualified public depository from making payments of
311 deposit liabilities or the appointment of a receiver for a qualified
312 public depository;

313 [(4)] (6) "Public deposit" means (A) moneys of this state or of any
314 governmental subdivision of this state or any commission, committee,
315 board or officer thereof, any housing authority or any court of this
316 state and (B) moneys held by the Judicial Department in a fiduciary
317 capacity;

318 [(5)] (7) "Qualified public depository" or "depository" means a bank,
319 Connecticut credit union, federal credit union or an out-of-state bank
320 that maintains in this state a branch, as defined in section 36a-410,
321 which receives or holds public deposits and (A) segregates eligible
322 collateral for public deposits as described in section 36a-333, as
323 amended by this act, or (B) arranges for a letter of credit to be issued in
324 accordance with section 36a-337.

325 Sec. 9. Subsection (a) of section 36a-333 of the general statutes is
326 repealed and the following is substituted in lieu thereof (*Effective from*
327 *passage*):

328 (a) To secure public deposits, each qualified public depository shall
329 at all times maintain, segregated from its other assets as provided in
330 subsection (b) of this section, eligible collateral in an amount at least
331 equal to the following percentage of public deposits held by the
332 depository: (1) For any qualified public depository having a risk-based
333 capital ratio of ten per cent or greater, a sum equal to ten per cent of all
334 public deposits held by the depository; (2) for any qualified public
335 depository having a risk-based capital ratio of less than ten per cent
336 but greater than or equal to eight per cent, a sum equal to twenty-five
337 per cent of all public deposits held by the depository; (3) for any
338 qualified public depository having a risk-based capital ratio of less
339 than eight per cent but greater than or equal to three per cent, a sum
340 equal to one hundred per cent of all public deposits held by the
341 depository; (4) for any qualified public depository having a risk-based
342 capital ratio of less than three per cent, and, notwithstanding the
343 provisions of subdivisions (1) to (3), inclusive, of this subsection, for
344 any qualified public depository which has been conducting business in
345 this state for a period of less than two years except for a qualified

346 public depository that is a successor institution to a qualified public
347 depository which conducted business in this state for two years or
348 more, a sum equal to one hundred and twenty per cent of all public
349 deposits held by the depository; provided, the qualified public
350 depository and the public depositor may agree on an amount of
351 eligible collateral to be maintained by the depository that is greater
352 than the minimum amounts required under subdivisions (1) to (4),
353 inclusive, of this subsection; (5) notwithstanding the risk-based capital
354 ratio provisions of subdivisions (1) to (3), inclusive, of this subsection,
355 for any qualified public depository that is an uninsured bank, a sum
356 equal to one hundred twenty per cent of all public deposits held by the
357 depository; and (6) notwithstanding the risk-based capital ratio
358 provisions of subdivisions (1) to (3), inclusive, of this subsection, for
359 any qualified public depository that is subject to an order to cease and
360 desist, consent order or a preliminary warning letter, or has entered
361 into a stipulation and agreement, memorandum of understanding or a
362 letter of understanding and agreement with a bank or credit union
363 supervisor, a sum equal to one hundred twenty per cent of all public
364 deposits held by the depository, provided, the qualified public
365 depository and the public depositor may agree on an amount of
366 eligible collateral to be maintained by the depository that is greater
367 than the minimum amounts required under subdivisions (1) to (6),
368 inclusive, of this subsection. For purposes of this subsection, the
369 amount of all public deposits held by the depository shall be
370 determined [based on either the public deposits reported on the most
371 recent written report filed with the commissioner pursuant to section
372 36a-338 or the average of the public deposits reported on the four such
373 most recent written reports, whichever amount is greater] at the close
374 of business on the day of receipt of any public deposit and any
375 deficiency in the amount of eligible collateral required under this
376 section shall be cured not later than the close of business on the
377 following business day. For purposes of this subsection, the
378 depository's risk-based capital ratio shall be determined, in accordance
379 with applicable federal regulations and regulations adopted by the
380 commissioner in accordance with chapter 54, based on the most recent

381 quarterly call report, provided (A) if, during any calendar quarter after
382 the issuance of such report, the depository experiences a decline in its
383 risk-based capital ratio to a level that would require the depository to
384 maintain a higher amount of eligible collateral under subdivisions (1)
385 to (4), inclusive, of this subsection, the depository shall increase the
386 amount of eligible collateral maintained by it to the minimum required
387 under subdivisions (1) to (4), inclusive, of this subsection based on
388 such lower risk-based capital ratio and shall notify the commissioner
389 of its actions; and (B) if, during any calendar quarter after the issuance
390 of such report, the commissioner reasonably determines that the
391 depository's risk-based capital ratio is likely to decline to a level that
392 would require the depository to maintain a higher amount of eligible
393 collateral under subdivisions (1) to (4), inclusive, of this subsection, the
394 commissioner may require that the depository increase the amount of
395 eligible collateral maintained by it to the minimum required under
396 subdivisions (1) to (4), inclusive, of this subsection based on the
397 commissioner's determination of such lower risk-based capital ratio.

398 Sec. 10. Section 36a-334 of the general statutes is repealed and the
399 following is substituted in lieu thereof (*Effective from passage*):

400 When the commissioner determines that a loss has occurred, the
401 commissioner shall as soon as possible make payment to the proper
402 public officers of all public deposits subject to such loss, pursuant to
403 the following procedure: (1) For the purposes of determining the sums
404 to be paid, the commissioner or receiver shall, within twenty days after
405 issuance of a restraining order or taking possession of any qualified
406 public depository, ascertain the amount of public deposits held by the
407 depository as disclosed by its records and the amount thereof covered
408 by deposit insurance and certify the amounts to each public depositor
409 having public funds on deposit in the depository; (2) within ten days
410 after receipt of such certification, each such public depositor shall
411 furnish to the commissioner verified statements of its deposits in the
412 depository as disclosed by its records plus information concerning any
413 letters of credit issued to the public depositor or any private insurance
414 policy used to secure public deposits, pursuant to section 36a-337; (3)

415 upon receipt of such certificate and statements, the commissioner shall
416 ascertain and fix the amount of such public deposits, net after
417 deduction of any deposit insurance and any amount received or to be
418 received by the public depositor pursuant to a letter of credit or private
419 insurance policy issued in accordance with section 36a-337, and assess
420 the same against the depository in which the loss occurred; (4) the
421 assessment made by the commissioner shall be payable on the second
422 business day following demand, and in case of the failure of the
423 qualified public depository so to pay, the commissioner shall
424 immediately take possession of the eligible collateral, if any,
425 segregated by the depository pursuant to sections 36a-330 to 36a-338,
426 inclusive, as amended by this act, and liquidate the same for the
427 purpose of paying such assessment; (5) upon receipt of the assessment,
428 the commissioner shall reimburse the public depositors of the
429 depository in which the loss occurred to the extent of the depository's
430 net deposit liability to them.

431 Sec. 11. Subsection (b) of section 36a-380 of the general statutes is
432 repealed and the following is substituted in lieu thereof (*Effective July*
433 *1, 2011*):

434 (b) (1) Application for such license shall be in writing upon forms to
435 be furnished by the commissioner and shall contain the full name and
436 address of the applicant corporation and of each of its officers and a
437 statement of the assets and liabilities of such corporation in such form
438 as the commissioner requires. If, upon examination of such application
439 and upon any further investigation that the commissioner deems
440 necessary, the commissioner is satisfied that such corporation is
441 solvent and conducting its business according to law, the
442 commissioner may issue to such corporation a license to receive
443 property in trust and to execute and administer trusts to the extent and
444 in the manner authorized by the charter of such corporation or by any
445 general or special law of this state, but not otherwise. If it appears to
446 the commissioner that any such applicant corporation is insolvent, or
447 that its business is being conducted contrary to law or to the provisions
448 of its charter, the commissioner shall refuse to issue such license.

449 (2) In connection with an application for such license and at any
450 other time, the commissioner may, in accordance with section 29-17a,
451 arrange for a criminal history records check requiring the
452 fingerprinting of each principal, executive officer and director of the
453 corporation or conducting of any other method of positive
454 identification of such individuals required by the State Police Bureau
455 of Identification.

456 Sec. 12. Subsection (c) of section 36a-437a of the general statutes is
457 repealed and the following is substituted in lieu thereof (*Effective July*
458 *1, 2011*):

459 (c) In connection with an application to organize and at any other
460 time the commissioner requests, each organizer, director, [and]
461 appointed director and member of senior management of a
462 Connecticut credit union shall provide fingerprints to the
463 commissioner for use in conducting criminal history records checks.
464 Such criminal history records checks shall be conducted in accordance
465 with section 29-17a.

466 Sec. 13. Subdivision (3) of section 36a-455a of the general statutes is
467 repealed and the following is substituted in lieu thereof (*Effective from*
468 *passage*):

469 (3) Make and use its best efforts to make secured and unsecured
470 loans and other extensions of credit to its members in accordance with
471 section 36a-265 and sections 36a-457a, 36a-457b and 36a-458a;

472 Sec. 14. Section 36a-628 of the general statutes is amended by adding
473 subsection (c) as follows (*Effective July 1, 2011*):

474 (NEW) (c) In connection with an application for such license and at
475 any other time, the commissioner may, in accordance with section 29-
476 17a, arrange for a criminal history records check requiring the
477 fingerprinting of each principal, executive officer and director of the
478 business and individual development corporation or for conducting
479 any other method of positive identification of such individuals

480 required by the State Police Bureau of Identification.

481 Sec. 15. (NEW) (*Effective from passage*) A Connecticut bank may
 482 merge with one or more of its affiliates that are not banks or out-of-
 483 state banks, provided the resulting institution is a Connecticut bank.
 484 Such merger shall be effected in accordance with the provisions of
 485 section 36a-125 of the general statutes, except, with respect to any
 486 provision therein governing corporate procedure, including the rights
 487 of dissenting members or shareholders who assert existing appraisal
 488 rights, such affiliate shall comply with the laws of the state or other
 489 jurisdiction under which such affiliate is organized. Any such affiliate
 490 shall also comply with other applicable laws of the state or other
 491 jurisdiction under which such affiliate is organized concerning such
 492 mergers.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	36a-17(b)
Sec. 2	<i>from passage</i>	36a-59(a)
Sec. 3	<i>from passage</i>	36a-65(d)(1)
Sec. 4	<i>from passage</i>	36a-70(p)
Sec. 5	<i>October 1, 2011</i>	36a-261(j)
Sec. 6	<i>October 1, 2011</i>	36a-263(a)
Sec. 7	<i>from passage</i>	36a-276(d) and (e)
Sec. 8	<i>from passage</i>	36a-330
Sec. 9	<i>from passage</i>	36a-333(a)
Sec. 10	<i>from passage</i>	36a-334
Sec. 11	<i>July 1, 2011</i>	36a-380(b)
Sec. 12	<i>July 1, 2011</i>	36a-437a(c)
Sec. 13	<i>from passage</i>	36a-455a(3)
Sec. 14	<i>July 1, 2011</i>	36a-628
Sec. 15	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In section 6(a), "12 CFR 215.2 [of Subpart A]" was changed to "[12 CFR 215.2 of Subpart A] Section 215.2" and "Sections 215.7" was changed to "[Sections] Section 215.7" for consistency and accuracy in citation form in the subsection. In sections 11(b)(2) and 14(c) "State Police Bureau of

Investigation" was changed to "State Police Bureau of Identification" for accuracy.

BA *Joint Favorable Subst.*